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1 May 1958

BRIEF FOR THE CIA CAREER COUNCIL

SUBJECT: Retirement System

1. The Council is asked to determine which of the four attached alternative plans or combination of plans for early retirement should be intensively developed so that presentation may be made in early autumn to the White House, Bureau of the Budget, Civil Service Commission, and, eventually in the form of specific legislation, to the Congress. "Intensively developed" means gathering urgently needed data not available, statistical analysis of manpower and assignment forecasts, estimation of cost, actuarial review, full justification of need and plans for administration of the program.

2. Brief analysis of the four plans which fall into two major groups are:

I. "PRE-SELECTED CORPS"

Plan A "Early Retirement" (Tab A)

- a. Create an "overseas activity group" (para 3a)
- b. Schedule assignments so that 40% of the group are overseas at any one time (para 3d)
- c. Assess individuals X% above current Civil Service retirement contributions (para 3e)
- d. Voluntary retirement at age 52 after 20 years total Government service (paras 2 and 4).

Plan B "An Act to create a category" (Tab B)

- a. Establish a Foreign Intelligence Officer Corps within CIA, which will be modeled essentially on the Foreign Service Officer Corps of State. If given legislative sanction, it remains to be determined the degree to which CIA would be bound to follow the patterns required by law in the administration of the Foreign Service Officer Corps. The critical language is "To the extent deemed appropriate by the Director" (middle of para 1a). It also remains to be determined how clerical and technical support personnel, who could hardly be called Foreign Intelligence Officers, could be covered by this proposed Act.

5 NO CHANGE
DOC. NO. 5 FLD NO. 5 CHANGED TO 5 C RET. JUST 22
CLASS/DECLASS/ 5 TYPE DOC. 30
NEXT REV DATE/0 REV DATE 02/9725 REVIEWER CC9725 ORG CLASS 5
NO. PGS 7 CREAT DATE ORG COMP 30 APR 30 AUTH: HR 70-4
REV CLASS C REV COORD.

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Approved For Release 2001/03/02 : CIA-RDP61-00900A000100020012-6

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II. "ELIGIBILITY FOR EARLY RETIREMENT BY REASON OF ACCOMPLISHED OVERSEAS SERVICE"

Plan C "Proposal of Ellsworth (Personnel Advisor to the President) through Jones (Bureau of the Budget) to CIA (Tab C)"

- a. Voluntary retirement with approval of DCI at age 50 with 20 years total Government service, 10 of which are overseas, 5 of which are for CIA.
- b. Annuity computed at Foreign Service rate, (i.e. $2\frac{1}{2} \times$ years of service \times 5 year-high average salary)
- c. Details of mechanics of involuntary (or mandatory) retirement at age 50 with 20 years service at un-reduced annuity to be worked out in connection with a Selection-Out system.

Plan D "Proposed Retirement Legislation" (Tab D)

This was CIA's forerunner to Plan C

Plan D is, essentially,

20 years total service;

10 years CIA service;

5 years CIA minimum overseas service and then 40% of total CIA service extra credit (1 year for 4) for CIA overseas service. Annuity not reduced for retirement prior to age 60.

Plan C was the counter proposal of the White House and Bureau of Budget to answer the following objections:

- a. With long overseas service (above 8 or 10 years) "take home annuity" exceeds the comparable Foreign Service annuity
- b. No provision for mandatory early retirement via Selection-Out techniques.
- c. Could not be used as pilot program for future adaption to overseas service personnel in other Government agencies.

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